

CHANDLER & THONG-EK LAW OFFICES LTD.

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The following important legislation was published in the Government Gazette:

Air and Bank

1. Ministerial regulations dated 3 September 2010 issued under Air Navigation Act designating juristic person applying for license to manufacture quality certified parts, license to manufacture equipment and certificate of repair unit of category two and category three B.E. 2553.
2. Circular letter of Bank of Thailand dated 5 October 2010 issued to commercial banks No. PhorGorChor.(23) Wor.7/2553 re additional relaxation of exchange control.

Duty and Tax

1. Notification of Director-General of Revenue Department dated 9 July 2010 re bases, procedures and conditions respecting transfer of certain parts of businesses to each other of public limited companies or limited companies for exemption of taxes and duties.
2. Royal decree (No. 501) issued under Revenue Code, dated 30 August 2010, exempting income tax, specific business tax, and stamp duty on income, revenue, and execution of instruments arisen from transfer or taking of transfer of securities used as security for compliance with the forward purchase contract.
3. Notification of Director-General of Revenue Department (No. 179) dated 20 September 2010 prescribing purchase tax not allowed to be deducted in computation of value added tax under Section 82/5(6) of Revenue Code.
4. Notification of Ministry of Finance dated 29 September 2010 re exemption of duty on articles imported into joint development area.
5. Ministerial regulations No. 277 dated 29 September 2010 prescribing the money or any benefits received from the provident fund under the law governing provident fund or from the Government Pension Fund as an assessable income exempted from inclusion in computation of income tax payment.
6. Ministerial regulations No. 278 dated 30 September 2010 prescribing the income paid as service charges to the tourism business, or paid as hotel accommodation charges to the hotel business operators, for the domestic travel, which are paid from 8 June 2010 – 31 December 2010, as an assessable income exempted from inclusion in computation in ordinary person income tax payment.
7. Royal decree (No. 504) dated 1 October 2010 governing expenses not allowed to be regarded as expenses in computation of net profit.
8. Royal decree (No. 505) dated 1 October 2010 governing deduction of wear and tear and depreciation of assets.

9. Royal decree (No. 506) dated 1 October 2010 exempting income tax for a company or juristic partnership holding seminar training within the country for its employees on the income at one hundred per cent of the expenses paid as seminar rooms, accommodation rooms, delivery expenses, or other related expenses.
10. Royal decree (No. 507) dated 1 October 2010 prescribing the value added tax rate under Section 80 of the Revenue Code shall be reduced and collected at 6.3 percent for the sales of goods, the provision of services, or import in all cases where the liability to pay the value added tax arises from 1 October 2010 to 30 September 2012 and 9.0 percent for the sales of goods, the provision of services, or import in all cases where the liability to pay the value added tax arises from 1 October 2010 to 30 September 2012.
11. Notification of Director-General of Revenue Department relating to income tax (No. 187) dated 7 October 2010 re bases, procedures and conditions respecting exemption of tax on income paid as service charges to tourism business operators under law governing tourism business and tour guide, or paid as hotel accommodation charges to hotel business operator under law governing hotel, for domestic travel.
12. Royal decree (No. 508) dated 27 October 2010 prescribing additional tax rights and benefits for regional operating headquarter office (ROH)
13. Notification of Director-General of Revenue Department (No. 191) dated 15 November 2010 re bases, procedures and conditions respecting reduction of rates and exemption of income tax of the company operating business of regional operating headquarters.

Environment and Industry

1. Notification of Ministry of Natural Resources and Environment dated 8 July 2010 prescribing standards on control of emission of polluted air from chemical industrial factory.
2. Notification of Ministry of Natural Resources and Environment dated 8 July 2010 prescribing certain categories of chemical industrial factory as pollution generating source subject to control of emission of polluted air into the atmosphere.
3. Ministerial regulations dated 28 July 2010 exempting annual fees for factory business operator utilizing wastes or useless materials from factory business operation.
4. Notification of Ministry of Natural Resources and Environment dated 31 August 2010 prescribing categories, sizes and procedures of projects or businesses which may cause serious impacts to communities in respect of environments quality, natural resources, and health, in which case government agencies, state enterprises, or private entities are required to prepare environmental impact assessment report B.E. 2553.
5. Ministerial regulations dated 21 September 2010 exempting annual fee for factory business operator B.E. 2553.

Labor, Land and Mining

1. Notification of Ministry of Labor dated 29 July 2010 re sustaining other severe or chronic injury or sickness.
2. Ministerial regulations dated 1 September 2010 fixing fees and expenses concerning condominium building B.E. 2553.
3. Notifications of Ministry of Interior dated 9 September 2010 re collection of fees for registration of rights and juristic acts under land code and under law governing condominium

building in the case of merger of businesses under financial institution development plan, phase 2, according to criteria prescribed by Council of Ministers.

4. Ministerial regulations No. 80 dated 1 November 2010 issued under Minerals Act B.E. 2510 amending printed forms of special atchayabat, individual mining license, underground mining prathanabat and minerals panning license.

Miscellaneous

1. Ministerial regulations dated 30 April 2010 prescribing security for liability to third party of accounting profession practitioner.
2. Ministerial regulations dated 25 June 2010 fixing fees for private weapons manufacturing factory business operation.
3. Ministerial regulations dated 27 October 2010 prescribing bases and procedures for application for trade association establishment and Chamber of Commerce Establishment B.E. 2553.

Summary of Interesting Laws and General Matters Approved by the Resolutions of the Cabinet as of November 2010

1. Agreed to allow the Ministry of Defence to arrange MOU concerning countries using Gripen 39 aircrafts. (2906)
2. Approved the Electricity Generating Authority of Thailand's transmission project, worth Baht 21.16 billion, for purchase of power from Hongsa Lignite Power Plant. (1307)
3. Permitted the Electricity Generating Authority of Thailand to renew its short-term credit line of Baht 10 billion, which expired on July 9, 2010, for a period of one year from the expiry date. (1307)
4. Acknowledged and approved resolutions of the Economic Ministers Council adopted on July 12, 2010 re progress of operation of large-scale investment projects for development of the country which include five major areas: transportation, energy, communication, public utilities and water resources. (2007)
5. Acknowledged and approved resolution of the National Energy Policy Council adopted on June 28, 2010 re (1) Master Sale and Purchase Agreement and rules for short-term LNG provision, (2) the country's long-term gas provision plan, and revision of the master plan for gas pipeline system no. 3 (2001-2011), (3) draft MOU on purchase of power from Xe Pian Xe Namnoy Project, (4) guidelines for solving problem of location of power plant of Siam Energy Co., Ltd. (2007)
6. Approved operational measures for renewable power projects under the adder measure as follows: (2007)

It is appropriate to stop accepting applications for sale of power from solar projects, and assigns the committee (to be appointed) to formulate guidelines to purchase power from 3 electricity authorities according to regulations and notifications approved by the Energy Regulatory Commission, and the 3 electricity authorities are assigned to jointly make the technical consideration by taking into account the guidelines discussed with Office of the Attorney General.

7. Approved guidelines for operation of community development fund in the surrounding areas and power development fund. (2007)

8. Approved an arbitration clause in the credit facility agreement, guarantee agreement and other financial agreements relating to the long-term syndicated loan used in carrying out the Hongsa Lignite Power Plant Project in Lao PDR between Krung Thai Bank Plc., Government Saving Bank and Hongsa Power Company Limited. (2807)
9. Acknowledged results of the meeting of the workgroup on urgent problems of Map Ta Phut No. 3/2553. (2408)
10. Approved pursuant to the comments made by the Office of the Council of State regarding the draft Arbitration Act (No....), B.E.... proposed by the Ministry of Justice, that there is no need to amend the Arbitration Act B.E. 2545, and ordered that such comments be circulated among government agencies for information and practice. (3108)
11. Approved and assigned the following matters: (1409)
 1. Acknowledged results of the meeting of the Committee on Guidelines for Increase in Private Role in PPP's Form Nos. 2/2553 and 3/2553.
 2. Approved and ordered the Committee on Guideline for Increase in Private Role in PPP's Form to carry out the market sounding on two routes of high speed train, i.e., Eastern Route (Bangkok – Chachoengsoa – Rayong) and Northern Route (Bangkok – Chiangmai).
 3. Assigned the Ministry of Finance to consider a need for improvement of the Act on Private Sector Participation in or Operation of State Activities B.E. 2535 for more flexible and efficient process and procedures for consideration of the projects where the private party will be allowed to participate in investment, and for selection of the private party.
 4. Acknowledged the progress of operation of the Workgroup on Consideration of Guidelines for Development of Telecommunication Industry under the Information Technology and Communication Master Plan (No. 2) of Thailand B.E. 2552-2556.
 5. Approved scope of guidelines for development of the National Telecom Network.
 6. Ordered the Ministry of Finance to engage legal advisors and financial advisors to prepare details and proposals and to evaluate effects on the government agencies including TOT Plc and CAT Telecom Plc and advantages of service users.
 7. Assigned the Ministry of Information Technology and Communication to urgently urge TOT Plc and CAT Telecom Plc to exercise the supervision in compliance with the decision of the Council of State on consideration of the mobile phone concession contract as amended.
12. Acknowledged the result of the 5th public and private joint committee meeting for economic solutions 2010; approved the urgent and supportive measures in order to promote investment in the biological plastic industry in Thailand, as suggested by the 3-private institutions joint committee; approve the support for the engineering and architectural sector to enter foreign markets; and approved the financial measures to support contractors' businesses abroad. (0510)
13. Agreed to the study on the preparation for Thailand to enter into the Government Procurement Agreement of the World Trade Organization. (1210)
14. Approved the directives for the establishment of the Thai-Burmese special economic zone on the border of the two countries. (1910)

15. Acknowledged the progress on issuing the 11th National Economic and Social Development Plan (B.E. 2012-2016) (2610)
16. Approved the principles of draft joint declaration of the leaders on Joint Statement of the Fifth Indonesia – Malaysia – Thailand Growth Triangle (IMT-GT) (2610)
17. Acknowledged the National Broadband Plan in order to allow relevant agencies to use the plan as a basis for taking policy into practice; endorsed the National Telecommunication and Broadcasting Commission to integrate the relevant work in several aspects and to appoint a joint public-private sub-committee. (0911)
18. Endorsed the draft of the Phnom Penh Declaration and the draft of ACMECS 2010 – 2012 Action Plan. (0911)
19. Approved tax incentives for the development of Thai commercial vessels. (1611)
20. Approved the exemption for compliance with the Regulation of the Office of Prime Minister Governing the Disposal of Businesses or Shares Owned by Government Agencies or State Enterprises B.E. 2504. (1611)
21. Approved the amendment of Cabinet Resolution dated 12 January 2553 – MRTA Purple Line Project, Bangyai to Bangsue Section. (1611)
22. Approved the use of arbitration clause in contract for construction of public work and contract for management and control project consultant for construction of four-lane highway widening project (phase 2). (2511)
23. The resolutions of the National Energy Policy Council are as follows: (3011)
 1. Amend the contract for construction and operation of petroleum refining according to the opinion of Office of the Attorney General;
 2. Assigned Ministry of Energy to negotiate with Star Petroleum Refining Company Limited for fixing suitable time for listing on Stock Exchange of Thailand;
 3. Approved the use of arbitration clause in the agreement between PTT Plc. and Chevron Group;
 4. Approved the extension of power transmission system project in order to promote cogeneration and renewable energy small power producers;
 5. Assigned the Ministry of Foreign Affairs to proceed with MOU between Thai-Lao for feasibility study for development of Ban Kum hydropower project.
 6. Approved the increase of adder in 4 districts of Songkhla province by 1.50 baht/KW-hr for wind and solar power projects and by 1.00 baht/KW-hr for renewable energy projects;
 7. Approved the additional purchase of electricity from cogeneration small power producers by 1,500 megawatt by considering from the list of cogeneration small power producers of firm contract type in 2010.